

acumen

Structured Pricing

At a glance

Client: A leading global wine & spirits company with a significant market share in Vietnam seeks to implement a structured pricing framework across Traditional & Modern trade.

Objective: To create a simplified pricing structure and build a defensible platform for growth.

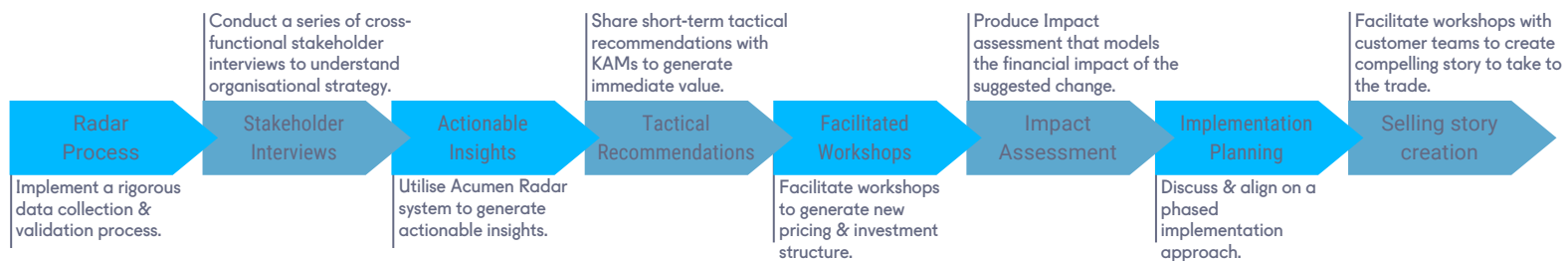
Challenges

1. Balancing the need to increase net profit position without sacrificing market share.
2. Achieving closer alignment from wholesalers with the organisational strategy.
3. Mitigating the impact of the grey market & counterfeit goods.
4. Overcoming weak margins for suppliers, wholesalers & retailers.

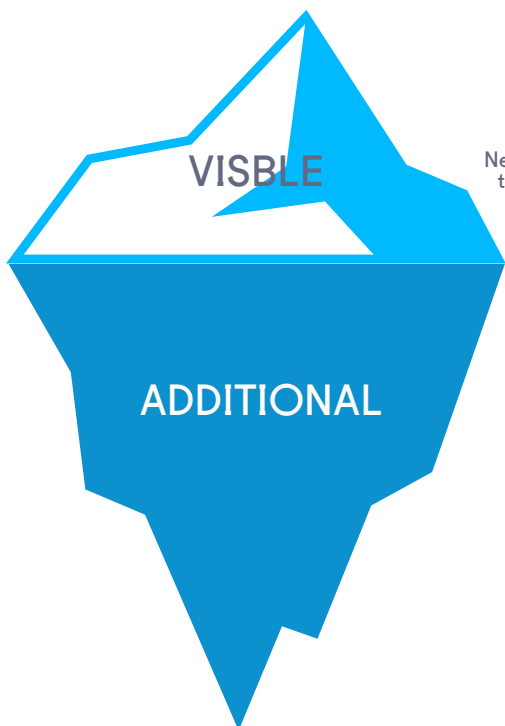
Solutions

We created a new pricing framework aligning the RSP to the net price, in accordance with the organisational strategy. This approach aims to ladder pricing from a consumer value proposition and is supported by a comprehensive 3-year implementation plan.

Roadmap



Benefits



Tangible Outcomes:

16%

Net profit benefit in traditional trade

18%

Net profit benefit in modern trade

1.2pp

Traditional trade account margin increase

0.3pp

Average modern trade account margin decrease

20%

Volume increase across both trade

Additional Benefits:

1

Aligned investment to brand objectives
Redefined the investment structure, reallocating investment among brands to better align with the company objectives.

2

Reduced grey market activity
Shifted investment from the back margin to the front margin to mitigate the grey market activity.

3

Enhanced Capability
Empowered customer teams with tools to ensure customer alignment and secure commitment to new structure.

4

Implemented an appropriate customer reward structure
Fine-tuned investments according to customer scale and value.